



## Limerick City (96,000 People)



## The Estates (Background)

- Laneways of Limerick.
- Estates built between 1930s through 1980s (6,500 people):
  - St. Mary's Park (Built 1930s, 863 People).
  - Southill (Built 1950s, 2,441 People).
  - Ballinacurra Weston (Built 1950s, 561 People).
  - Moyross (Built 1970s-1980s, 2,371 People).
- Some causes of Estate Decline:
  - 1) Physical.
  - 2) Social.
  - 3) Economic.

Laneways (Pre 1950s)



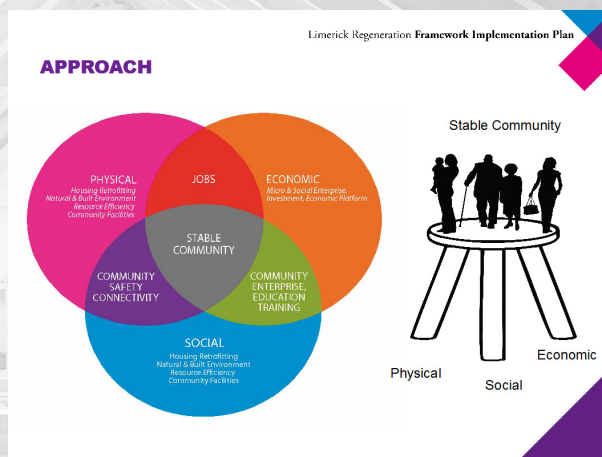
New Estates (1950s-1980s)





## Regeneration: Three Legs of the Stool

- Physical (€253M).
- Social (€30M).
- Economic (€10M)



## Refurbishment Example

Original

Void

Refurbished



## Regeneration Examples

- Site: Sheep St.
- WIP: Lord Edward St.
- Finished: Cliona Park, Dalgaish Park, Colivet Court.

## Work Together

Collaboration of Limerick, Dept, 6 AHBs:



Benefits:

- **Deliver on Government Policy:** Enhance AHB Contribution to Rebuilding Ireland.
- **Innovation:** Leverage Mixed Funding Model for Regeneration (Access P&A current revenue funding).
- **Increase Supply:** Accelerate Regeneration Delivery as more projects could be delivered in parallel.
- **Cross Pollination:** of Housing Delivery/Management Systems between AHBs and LA, and progress to best practice.

## Macro Financial Environment

### Headwinds:

- State Capital Funding diminish.
- Money Markets dried up.



### Tailwinds:

- Cost of Money Drops.
- Market Rents Increase (P&A).



## Regeneration Projects Modelled with AHBs

- The AHBs assessed the following Limerick regeneration projects.
- The total project cost assessed is €53.9M across 255 units (€212k per unit).

Schemes Modelled	Stage	Units	Modelled Cost
Churchfield (Southhill) - Phase 2	At Planning	38	8,039,660
Palm Grove	At Planning	26	5,500,820
Cosgrave Park	At Planning	50	10,578,500
Cliona Park	At Planning	18	3,808,260
Dalgaish Park	At Planning	40	8,462,800
Orchard Site	At Planning	26	5,500,820
SMP Infill	At Planning	20	4,231,400
Carew Park Infill	Inception	37	7,828,090
		<b>255</b>	<b>53,950,350</b>





# Financial Model Iterations

AHB Capital Contribution Draft 1 = 50%.

To drive the AHB Capital Contribution above 50% required the key stakeholders to further commit on key Levers.

Each Lever increases the AHB Capital Contribution by 1%:

- €10 increase in P&A per unit per month.
- 0.15% decrease in the cost of private finance (interest rate).
- 1.5% decrease in Development Tender Cost vs. Plan.
- €100 decrease in AHB Operating Costs per unit per year.



# Agreed Financial Model

The final model indicates that:

- The AHBs could support a Capital Contribution of approximately 70%. (Market Rents Up, Cost of Money Down).

Key Assumptions:

- Project has been assessed on the:
  - CALF/P&A IRR model.
  - HFA Cashflow model.
- Current Funding/P&A at 92% of the average Limerick City Market rents.
- Limerick City Market rents: 2 Bed units @ €850 pcm, 3 bed units @ €950 pcm (vs. much lower Regeneration Area Rents).
- Interest Rate @ < 4.0% for 25 Years (HFA/EIB 25 Year Fix now @ 2.75%).



## Next Steps

- Model works and agreed.
- Awaiting formal approvals.
- Apply the approach to other provincial areas.

## Video Footage

- Limerick City.
- Older Estates.
- Regeneration Projects.



- Producer: Paula Kenny
- Cameraman: Barry Hunt
- Starring: Me (for 5 seconds)